Statement of Basis Tenaska Alabama II Partners, LP Tenaska Central Alabama Generating Station 201-0009 Title V Significant Modification

This proposed modified Title V Major Source Operating Permit is issued under the provisions of ADEM Admin. Code r. 335-3-16. The above named applicant has requested authorization to perform the work or operate the facility shown on the application and drawings, plans and other documents attached hereto or on file with the Air Division of the Alabama Department of Environmental Management, in accordance with the terms and conditions of this permit.

The Tenaska Alabama II Partners, L.P. Station operates under Title V Major Source Operating Permit No. 201-0009. This permit includes three (3) combustion turbines (CTs), generating approximately 846 MW of electric power when firing natural gas during summer design conditions and 924 MW of electric power when firing natural gas during winter design conditions. These figures include approximately 120 MW from supplemental firing in the heat recovery steam generators (HRSG). Each combustion turbine has approximately 170 MW of electric generation capacity. Each HRSG includes a 550 MMBtu/hr natural gas fired duct burner.

On February 3, 2010, the Department received a letter from Tenaska Alabama II Partners (TAIIP) proposing a significant permit modification. TAIIP requested a change to Recordkeeping and Reporting Requirements Proviso No. 1 of the Title V Permit to allow for semi-annual reporting of excess emissions, in lieu of quarterly reporting. This request for semi-annual reporting requirements is consistent with requirements specified in 40 CFR 60.334(j)(5) and 60.7(c).

40 CFR 60.7 (c) states:

Each owner or operator required to install a continuous monitoring device shall submit excess emissions and monitoring systems performance report (excess emissions are defined in applicable subparts) and-or summary report form (see paragraph (d) of this section) to the Administrator semiannually, except when: more frequent reporting is specifically required by an applicable subpart; or the Administrator, on a case-by-case basis, determines that more frequent reporting is necessary to accurately assess the compliance status of the source. All reports shall be postmarked by the 30th day following the end of each six-month period. Written reports of excess emissions shall include the following information:

- (1) The magnitude of excess emissions computed in accordance with §60.13(h), any conversion factor(s) used, and the date and time of commencement and completion of each time period of excess emissions. The process operating time during the reporting period.
- (2) Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the affected facility. The nature and cause of any malfunction (if known), the corrective action taken or preventative measures adopted.

- (3) The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments.
- (4) When no excess emissions have occurred or the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be stated in the report.

40 CFR 60.334(j)(5) states that all reports required under 40 CFR 60.7(c) shall be postmarked by the 30th day following the end of each six (6) month period. TAIIP has demonstrated compliance for more than four (4) quarterly reports. Tenaska will continue to notify the Department within the proper timeframe that is required in General Proviso 15(b) of the Major Source Operating Permit.

General Proviso 15(b) of the Tenaska – Lindsay Hill Title V Permit states:

"In the event that there is a breakdown of equipment or upset of process in such a manner as to cause, or is expected to cause, increased emissions of air contaminants which are above an applicable standard, the person responsible for such equipment shall notify the Director within 24 hours or the next working day and provide a statement giving all pertinent facts, including the estimated duration of the breakdown. The Director shall be notified when the breakdown has been corrected."

Adam G. Crocker Energy Branch

Industrial Mineral Section

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Air Division

March 2, 2010

Date